

TENNESSEE

Law	Title 67, Chapter 3, Taxes on Petroleum Products and Alternative Fuels.
Definitions	<p>Alternative fuel: liquefied petroleum gas or compressed natural gas product used to propel a motor vehicle, and includes butane, propane, or compressed natural gas. Diesel fuel: liquid commonly known or sold as a fuel that is suitable for use in a diesel powered highway vehicle. Fuel grade ethanol: product meeting ASTM standards for blending with gasoline. Gasohol: blended fuel composed of gasoline and ethanol. Motor fuel: gasoline, diesel fuel and blended fuel. Blended fuel: mixture of gasoline or diesel fuel and another liquid for use in a highway vehicle. [Sec. 67-3-1203]</p> <p>Liquefied gas: all combustible gases other than gasoline, diesel fuel, or CNG, in a gaseous state that meet certain temperature and pressure standards. [Sec. 67-3-2201]</p>
Tax Rate	<p>21¢ per gallon for gasoline, gasohol, and blended fuel. [Sec. 67-3-1301, -1303]</p> <p>18¢ per gallon for diesel fuel and all other fuels suitable for used in diesel-powered vehicles. [Sec. 67-3-1302, -1303]</p> <p>13¢ per gallon for CNG; rate of conversion for one gallon is 5.66 pounds CNG. [Sec. 67-3-2213]</p> <p>14¢ per gallon for liquefied gas. [Sec. 67-3-2202]</p>
Tax Breaks	Refunds of all but 1¢ of the gasoline tax allowed for agricultural use, or gasoline or diesel for auxiliary engines. [Sec. 67-3-1511]
Exemptions	None.
Gasohol	Considered gasoline for purposes of taxation.
Special Provisions	<p>Users of liquefied-gas-powered commercial vehicles pay annual tax in addition to gallonage tax, at the following per-vehicle rates: \$84 up to 9000 lbs. GVW (Class 1 vehicles); \$84 from 9001 - 16,000 lbs. (Class 2); \$100 from 16,001 - 20,000 lbs. GVW (Class 3); \$100 from 20,001 - 26,000 lbs. GVW</p>

(Class 4); and \$114 over 26,000 lbs. GVW (Class 5). [Sec. 67-3-2206]